

MINUTES OF THE
MEETING
OF THE
AUDIT & COMPLIANCE COMMITTEE
FRIDAY, APRIL 6, 2012– 8:45 A.M.

Present:

Committee Members

Roderick Bashir
Michele Bush
James Clayborne
Thomas Hoffman

Board Members

Devon Bruce
John Casey

Staff

William Atwood
Johara El-Harazin
Adanna Ene
Tim Kominiarek
Linsey Schoemehl
Lorna Scott
Katherine Spinato
Alise White

Guests

State Retirement Systems
Tim Blair
Office of the State Treasurer
Bridget Byron, Maureen Leyden
Marquette Associates
Brian Wrubel, Nichole Roman-Bhatty, David Smith
Loop Capital
Angela Myers
Unite Here
Jim Baker

Absent:

Committee Member

Judy Baar Topinka

ROLL CALL

Chairman Bush called the meeting to order at 8:50 a.m. The Secretary called the roll and noted that a quorum was not present. It was the consensus of the Committee Members to proceed with the agenda and defer action items until a quorum is present.

REPORT OF THE CHAIRMAN

Chairman Bush reported that she had spent considerable time on ethics matters and that a copy of the written report dated March 14, 2012 was previously distributed and reviewed the five recommendations resulting from ethics and compliance analysis performed. (Official minutes contain attachment.)

Judge Hoffman commended Ms. Bush and the great job she had done regarding the ethics matters and stated that he was impressed with the fair manner in which the matter was handled. Mr. Bashir echoed Judge Hoffman's comments.

Board Chairman Bruce stated that since the time of the report, Fred Montgomery had resigned from the Board, creating a vacancy on the Audit & Compliance Committee. Mr. Bruce appointed Roderick Bashir to serve as a member of the Audit & Compliance Committee.

A quorum was present upon Mr. Bashir's acceptance of the appointment to the Audit & Compliance Committee.

STAFF PERSONAL TRANSACTION REPORTS

Ms. Spinato reported that there were no exceptions to report to the Staff's Monthly Personal Interest Statements for the quarter ending December, 2011.

ETHICS MATTERS

Board Member Timesheets

Chairman Bush reminded the appointed Board Members to submit their quarterly timesheets.

Ex Parte Communications

Ms. Schoemehl referred the Committee Members to the memorandum "Ex Parte Communication Disclosures" dated March 6, 2012, disclosing ex parte communications and reported that such ex parte communication would be reported to the Executive Ethics Commission, as required by statute. (Official minutes contain attachment.)

Senator Clayborne joined the meeting.

MINUTES OF PREVIOUS MEETING

Mr. Bashir moved to approve the minutes of the Audit & Compliance Committee meetings held December 16, 2011 and February 27, 2012, in the forms previously submitted. Judge Hoffman seconded and the motion passed unanimously.

COMMISSION RECAPTURE REPORT

Ms. Spinato stated that the Commission Recapture Report for the quarter ending December 2011 had previously been distributed. Mr. Bashir moved to approve the Commission Recapture Report for the quarter ending December 31, 2011. Senator Clayborne seconded and the motion passed unanimously. (Official minutes contain attachment.)

RECORD OF VOUCHERS

Chairman Bush stated that the Record of Vouchers for the months of October, November and December 2011, were previously distributed. Mr. Bashir moved to approve the Records of Vouchers for the months of October, November and December 2011, as previously submitted. Judge Hoffman seconded and the motion passed unanimously. (Official minutes contain attachments.)

TRAVEL – APPROVAL FOR THIRD PARTY REIMBURSEMENT

Director Atwood referred the Committee Members to the memorandum “Third Party Travel Reimbursement” dated February 28, 2012 and requested approval for the travel of Johara El-Harazin and Linsey Schoemehl to the IMN Public Funds Summit held in San Diego, CA on March 25-27, 2012. Mr. Bashir congratulated Ms. Schoemehl on the recognition as a Rising Star in Public Funds, and moved to approve the travel as outlined in the memorandum. Judge Hoffman seconded and the motion passed unanimously.

ETHICS MATTERS (continued)

Placement Agent Contact Report

Ms. Schoemehl referred to the memorandum “Placement Agent Contact Report Q3 FY 2012” dated March 13, 2012, and reviewed. Following review, Mr. Bashir moved to accept the report. Judge Hoffman seconded and the motion passed unanimously. (Official minutes contain attachment.)

UNFINISHED BUSINESS

None.

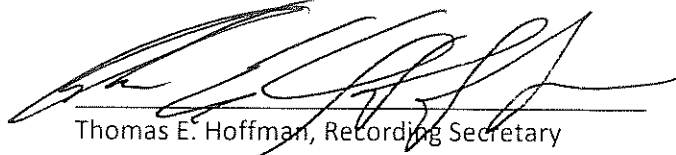
NEW BUSINESS

None.

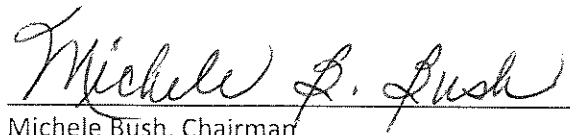
NEXT MEETING AND ADJOURNMENT

Chairman Bush stated that the next meeting of the Audit & Compliance Committee was scheduled to be held Friday, June 15, 2012. At 9:10 a.m., there being no further business to come before the Committee, Mr. Bashir moved to adjourn. Judge Hoffman seconded and the meeting was adjourned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas E. Hoffman", written over a horizontal line.

Thomas E. Hoffman, Recording Secretary
Illinois State Board of Investment

A handwritten signature in black ink, appearing to read "Michele L. Bush", written over a horizontal line.

Michele Bush, Chairman
Audit & Compliance Committee